

Revitalise or marginalise?

labour in South and Southern Africa

There is a view popular in certain circles that the labour reforms introduced in South Africa after 1994 are out of step with global trends. What we need, according to this view, is not to strengthen the rights of labour, but to deregulate the markets. Unions must be rolled back because they stand in the way of labour market flexibility, foreign investment, job creation and downsizing. Furthermore, unions represent an elite and not the broader interest. This view regards labour as a marginal actor in the new world order.

An alternative view is beginning to emerge. It argues that a process of renewal is taking place in the labour movement in many countries. In the United States for instance, unions are rediscovering their roots in their social movement character. It is a different kind of US movement: not the white male assembly line worker, but the service sector, the Latino immigrant, the woman worker. According to this view, labour is revitalising itself.

A recent conference assessed these competing claims by grounding these discussions in Southern Africa. The conference brought together academics, researchers, trade union and government officials from Southern African Development Community (SADC) countries and abroad. They examined the challenges facing labour in the region and explored ways research can help labour

Sarah Mosoetsa and Etienne Vlok review a recent conference on 'Challenges facing labour in Southern Africa'.

engage with the new world order.

The conference was organised by the Sociology of Work Unit (SWOP), and the Friedrich Ebert Stiftung (FES), in association with the Southern African Trade Union Coordinating Council (SATUCC).

Old forms, new forms

The popular view holds that we are in a 'new economy' where old forms of work have disappeared. In this new economy, we will all become, for example, teleworkers operating from home or in a small business.

In his introductory comments to the conference, Eddie Webster, the director of SWOP, argued that old forms of work – for instance mining and resource-based industries – are not declining. In fact, they are growing. The new forms of work found in the region exist side-by-side with the old.

As research by SWOP's Rahmat Omar has shown, new forms of work such as call

centres are actually the 'sweatshops of the new digital age'. There, workers are tightly controlled by modern technology.

'Adjust or die'

The South African Minister of Trade and Industry, Alec Erwin, was the keynote speaker at the conference. He argued that the challenges facing unions are profound and that unions need to adjust. Those unions that do not adjust will die.

Regarding globalisation, Erwin argued that it opens up massive product opportunities for the South. 'If you open markets then there is a range of consequences in which unions can play a role.' According to Erwin, the union movement's alternative to globalisation is to build solidarity against it. However, the speed of globalisation limits these solidarity actions.

Erwin argued that economies are being compelled actively and passively to restructure. 'We have to stabilise the economy to move forward. Gear and macroeconomic balance are correct because if you do not stabilise the economy then you cannot compete. Government deficits was a wrong argument.'

Furthermore, Erwin said that the union movement must have an unequivocal policy of economic development in the region. It can do this by having a strategy on labour standards. He urged unions to define their developmental role. 'If unions want to be involved in the economy, they must invest developmentally. Union investment companies need to be looked at carefully as most do not play a developmental role.'

Four challenges

The conference identified four main challenges facing labour in the region: regional, political, economic and organisational.

Regional challenge

The first challenge raised was how labour could shape the evolving regional integration. The view presented was that this new regionalism is a response to globalisation and economic liberalisation.

In trying to understand the region, the conference examined the European Union (EU). In the EU, the European Trade Union Council and the European Trade Union Institute were established. This regional labour movement and research facility gave the European trade unions the capacity to deal with integration and influence labour market and social policies. Jabu Ngcobo of the International Textile, Garment and Leather Workers Federation stressed the need for such institutions in SADC to build SATUCC's capacity to play a constructive role.

Drawing lessons from the EU, Roland Schneider from the Trade Union Advisory Council of the Organisation for Economic Cooperation and Development (OECD) pointed out that political communities are organised largely within nation states, and are likely to remain so in the immediate future. Schneider also said that the objective of international economic arrangements must be to allow the maximum of economic transactions while still maintaining labour standards through such mechanisms as codes of conduct.

What then is South Africa's role in the region? Can South Africa exercise its domination or hegemony in a benign way? Or will South Africans become the Yankees of the region?

Four dimensions of such a benign hegemony were identified:

- ☐ Political will: the South African government must commit itself to a developmental approach to the region. South Africa can only play this role if the other 13 countries accept it.
- ☐ Economic capacity: the region should

be seen as an area of investment but the investments by South African multinational corporations (MNCs) should be mutually beneficial.

- Institutional capacity: the success of labour's role depends on its ability to engage in the formulation of social policy.
- Political stability: this is essential if a new approach to the region is to emerge.

Until now, it has not been the South African state, but South African capital that has become involved in the region. Capital's involvement tends to have a short-term and narrow interest. The South African state needs to fulfil the region's requirement of a long-term focus on *infrastructural development*.

Some view the move by South African MNCs into the region as reproducing racialised managerial hierarchies and as a form of 're-colonisation'. Herbert Jauch of LaRRI in Namibia pointed out that MNCs like Shoprite and Game are replacing the locally-owned corner cafes in Windhoek. Neo Simutanyi of the Institute of Economic and Social Research, University of Zambia confirmed this when he said that investment could also mean losing jobs when MNCs displace local capital and labour.

However, Karl von Holdt of Naledi pointed to a different perspective when he contrasted the massive investment in China with that of Africa. He stressed the fact that without investment there would be no working class at all!

The political challenge

From the 1960s to the 1980s, labour was linked to the ruling parties in most of Southern Africa. Trade unions played a major role in demanding and establishing democracy. These unions then entered into alliances with ruling parties. However,

argued Sakhela Buhlungu of SWOP, in most SADC countries the labour movement has had a paradoxical victory. After gaining political power, many parties forgot their mandates. Often tension would develop in the alliances as the ruling party attempted to subordinate the union movement.

An example is Zambia where the unions challenged the ruling party. Then, when the union-linked party (the Movement for Multiparty Democracy) came to power, it introduced economic liberalisation. In the last six years, 85% of the Zambian economy has been privatised. The results have been devastating with 70 to 80% of people living in poverty and workers worse off than ten years ago. The government has also manipulated the International Labour Organisation's (ILO) conventions to weaken the unions, according to Japhet Moonde of the Zambian Congress of Trade Unions (ZCTU).

The alliance has turned out to be a nightmare for the Zambian unions. The workers believe unions played a part in the deterioration of their lives and so labour has been marginalised. The unions are now trying to delink from the alliance. Says Simutanyi, 'trade unions are finding it difficult to consolidate democracy and be autonomous actors'.

Notwithstanding these examples, Bernard Esau, a former union leader and now Namibian Deputy Minister of Trade and Industry, argued for such alliances at the conference. The benefit, he argued, would be labour's ability to influence government policies and legislation.

Moonde suggested tripartism be promoted in SADC. However, Jane Barrett of SATAWU warned labour to be wary of institutional solutions. She said that although institutions can be a platform for engagement, they could also be toothless and merely consultative.

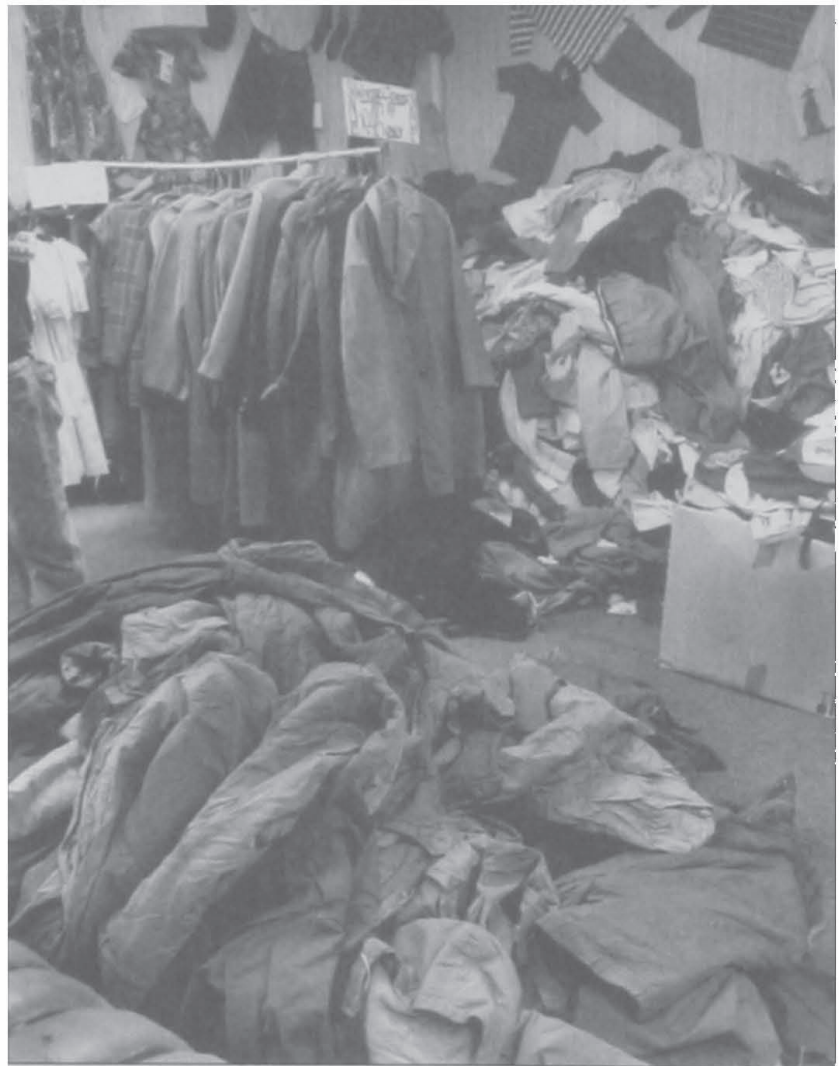
Simutanyi summarised the political challenges that labour in the region face: firstly, certain factors caused the demobilisation of labour. These include the introduction of structural adjustment programmes (SAPs), which weakened labour's bargaining power. In the past, labour negotiated with the state that controlled most of the economy. However, SAPs changed this. Secondly, labour lost membership and, thus, power. This meant they are less effective in negotiations.

The economic challenge

The impact of economic liberalisation on labour and employment has been great in the region. According to Guy Mhone of the Public and Development Management School at Wits University, this liberalisation has not complemented the development agenda in the region. The result has been the growing informalisation of employment and growth of the livelihoods sector. Mhone urged labour to adopt a development agenda that transforms the informal and communal sectors and finds new growth strategies.

Many participants agreed that globalisation does not deliver on its promises and that policy makers need to implement national and regional growth strategies relying mainly on domestic investors and institutions.

According to Neva Makgetla, a COSATU policy coordinator, the South African labour movement has responded to the



Clothing imported from the region on the streets of Johannesburg.

impact of economic liberalisation by supporting and promoting:

- ☐ an industrial strategy and the restructuring of the economy through sector job summits;
- ☐ social protection through income redistribution, the anti-privatisation campaign, a relaxed fiscal policy and the people's budget;
- ☐ capacity-building within the federation through a policy unit and increased education and mobilisation; and
- ☐ strengthening regional and international union structures.

Andries Bezuidenhout of SWOP illustrated the importance of strengthening regional union structures, through his research on

the manufacturing of white goods in the region. He argued that the lack of core labour standards could lead to a 'race to the bottom' in the region. Bezuidenhout also stressed the importance of regionalising the South African job sector summits.

Another example of labour's response to economic liberalisation is Lesotho and its export processing zones (EPZs). Historically, Lesotho has been closely integrated in the South African economy and seen as a source of mine labour for South Africa. Recently, Lesotho's textile sector has been growing and by the end of the 1990s, Lesotho was one of the biggest exporters of textiles. This is mainly due to its low labour costs, the absence of strong unions, and a labour code favouring investors. Features in the EPZs include factories secured by armed guards, tax reductions, lax implementation of labour laws, a long working week, violations of health and safety standards and the oppression of trade union rights.

Schoai Santho of the National University of Lesotho has been working to strengthen the Lesotho Clothing and Allied Workers Union (LCAWU) to counter the EPZs. It is now the most effective union in Lesotho. LCAWU has a good relationship with SACTWU. Together, they are trying to stop the 'race to the bottom'.

Ngcobo, formerly of SACTWU, described the relationship with LCAWU: 'We helped to launch LCAWU and have a close relationship with it. We intended to merge, but it was stopped by the Lesotho government. So we started a federation to which both unions could affiliate. What drove us to do this? Employers are not concerned about boundaries. We are the ones allowing companies to cross borders and exploit.'

The economic challenges were summarised by Ravi Naidoo of Naledi: globalisation has not delivered to the poor and the working class. Labour has to find a

new paradigm that is developmental in focus and builds domestic markets. Labour's strategies have to comply with the composition of the labour force, many of whom work in the informal sector. Lastly, efforts to continue the struggle across borders should continue.

The organisational challenge

The shrinking formal sector in the region poses serious questions for the labour movement and its ability to tackle the challenges it faces. Only one in ten of the workforce of Southern Africa is organised. The growth of the informal sector reduces labour's power and influence and represents a growing representational gap in the labour movement.

A new labour internationalism might help labour to challenge economic liberalisation. An example of this is the Southern Initiative on Globalisation and Trade Union Rights (SIGTUR). Labour needs to establish new social alliances and regional networks for this labour internationalism to work.

Rob Lambert from the University of Western Australia told the conference globalisation holds opportunities for unions. He presented a picture of a new alliance of unions in the South. Over the last decade, Southern unions have come together in SIGTUR to work together. SIGTUR is a platform where unions can link with stronger unions and build weaker unions.

Lambert argued that labour must move into a new concept of organisation. The labour movement is still primarily organised on a national basis. The International Trade Secretariats (ITSs) have a role to play here. They have to campaign at a global level and engage with companies across boundaries.

However, the question is whether unions are prepared to devote resources

to organising campaigns across boundaries.

Linking labour and research

The conference concluded by focusing on how researchers in the region could help labour meet these challenges. It was agreed to widen the research agenda and begin to establish a regional network to:

- ❑ focus on the new regionalism and its emerging trade, investment, and institutional patterns;
- ❑ broaden the focus of research beyond formal employment to the livelihood sector; and
- ❑ approach the role of labour from a developmental perspective.

Not like a dinosaur

So, marginalisation or revitalisation for labour in the region? Is globalisation creating or closing down space for unions? Do unions adjust to or shape realities?

For Jauch, 'adjust' means being on the back foot. 'We can't be like a dinosaur, we have to change. But we can't just appease investors.'

Judging from Erwin's address to the conference, he believes labour should 'adjust' to the market. Erwin defended the export-orientated manufacturing model. However, Mhone suggested a developmental approach for the region that does not only focus on the formal sector. This approach looks for new growth strategies by stimulating domestic demand. Mhone challenged unions to play a major role in this developmental approach.



The region has seen a growth in the livelihoods sector.

Labour is faced with a complex challenge. It needs to find a way of responding to the challenge of international competitiveness while widening its support base to respond to the non-traditional constituencies in the labour market. This challenge requires new forms of organisation, alliances and knowledge. ★

Sarah Mosoetsa is a research officer at SWOP. For a recent review of labour in the region see Webster, E. and Mosoetsa, S. (2001) 'Connecting and disconnecting' an introductory review of labour in selected SADC countries in the era of globalisation. It is obtainable from the FES, Johannesburg, telephone (011) 788-5995.